

For Immediate Release:

Contact: Tom Mulloy (202) 225-5871

Kucinich Asks Local Banks to Report on Use of Federal Assistance

Washington D.C. (August 19, 2009) – Congressman Dennis Kucinich (D-OH), Chairman of the Domestic Policy Subcommittee of the Oversight and Government Reform Committee, today sent letters of inquiry to the five largest banks in Northeast Ohio.

Since the beginning of the financial crisis, the federal government has infused over \$2 trillion into the financial markets in an attempt to increase liquidity and credit to individuals and businesses. Despite this, businesses and consumers continue to report difficulty obtaining credit.

“The federal government continues to commit billions of taxpayer dollars to stabilizing the financial markets and restoring liquidity, but on a daily basis I have constituents — individuals and business owners alike — telling me that their lines of credit are being drastically cut back or eliminated altogether.

“I am asking for this information because Northeast Ohio continues to be buffeted by foreclosures, unemployment, and rising health care costs. Congress and the American public deserve to know if the programs that have been implemented are producing as advertised.”

The text of the letter appears below. KeyBank, Huntington Bank, FirstMerit Bank, and Fifth Third Bank also received the letter:

Mr. James Rohr

Chairman and CEO
PNC Financial Services
249 Fifth Avenue
Pittsburgh, PA 15222

Dear Mr. Rohr:

As you know, the Federal government has funded an array of programs to increase liquidity and stabilize financial institutions. At the same time, prospective and current borrowers – individuals and businesses – report encountering difficulty in obtaining new loans and maintaining existing lines of credit. Americans want to know how the funds provided to banks to increase liquidity and stability are being used.

The purpose of this letter is to determine the extent to which your institution has chosen to participate in those federal programs, your use of those funds in creating credit for the local market, and to solicit your commentary on the utility and effectiveness of those federal programs.

In order to assist the Subcommittee with its inquiry, I am writing to request the following information:

- 1) The amount of capital your institution has received through programs such as the Capital Purchase Program and the Capital Access Program, and the current status of your participation in one or both of those programs.

- 2) Amount of funds received pursuant to your participation in facilities created by the Federal Reserve to address the current financial crisis, including, but not limited to, the discount window, Term Asset-backed Securities Loan Facility (TALF), Term Auction Facility (TAF), revolving credit facility, Commercial Paper Funding Facility (CPFF), Asset-backed Commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF), and Money Market Investor Funding

Facility (MMIFF).

- 3) Amount of funds received pursuant to programs appropriated for by the Emergency Economic Stabilization Act of 2008 (P.L. 110-343) for the Capital Purchase Program (CPP), Home Affordable Modification Program (HAMP), and Public-Private Investment Fund (PPIF or PPIP).
- 4) Amount of funds received as interest paid on reserve balances held at the Federal Reserve.
- 5) A narrative explanation of what you used those funds for, with particular attention to uses of those funds in the five Ohio counties: Cuyahoga, Medina, Summit, Lorain, and Lucas.
- 6) Amount of funds loaned as FHA-guaranteed residential mortgages in the five Ohio counties: Cuyahoga, Medina, Summit, Lorain, and Lucas, by month, from January 2008 to the present.
- 7) Amount of funds loaned as FDIC-guaranteed from the Temporary Liquidity Guarantee Program (TLGP), by month, from January 2008 to the present.
- 8) Data on aggregate NET lending in the five Ohio counties: Cuyahoga, Medina, Summit, Lorain, and Lucas, and elsewhere, by month, from June, 2008 to the present, by category of loan product: residential fixed interest mortgages, residential variable interest mortgages, residential second lien mortgages, residential home equity lines of credit; residential refinance loans; consumer credit cards; small business commercial lines of credit, and student loans. If there are other significant categories of net lending not listed, please identify and report them as well. Also, please report changes in credit card spending limits.
- 9) Comment, in narrative form, on the relative impact of the various federal programs on your net lending in the five Ohio counties: Cuyahoga, Medina, Summit, Lorain, and Lucas. Please include a discussion of the relative significance of factors other than the federal programs on determining your net lending performance in the five Ohio counties: Cuyahoga, Medina, Summit, Lorain, and Lucas.

10) Indicate what changes or enhancements to existing federal programs, or new programs would make a positive difference in your net lending in the five Ohio counties: Cuyahoga, Medina, Summit, Lorain, and Lucas.

11) Documents relating to standards for commercial lending practices in the five Ohio counties: Cuyahoga, Medina, Summit, Lorain, and Lucas.

The Oversight and Government Reform Committee is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X. An attachment to this letter provides information on how to respond to the Subcommittee's request.

We request that you provide these documents as soon as possible, but in no case later than 5:00 p.m. on Wednesday, September 2, 2009.

Sincerely,

/s/
Dennis J. Kucinich
Chairman
Domestic Policy Subcommittee

cc: Jim Jordan

Ranking Minority Member

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